BUDGET 1981-82

Speech of

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Minister for Finance

Thiruvalluvar year 2012—Rowthiri—Panguni—8

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Speech of Thiru V. R. Nedunchezhiyan, Minister for Finance, Government of Tamil Nadu presenting the Budget for 1981–82 to the Legislative Assembly on 21st March 1981, Punguni 8, Rowthri, Tiruvalluvar Year, 2012.

Hon'ble Speaker Sir,

> **" Diseases, absence, mighty wealth, the largest yields from land,**
> **And joys and protection are five fold jewels of a kingdom grand "**

is the wise saying of the sage Poet Thiruvalluvar. Disease free life, abundant wealth, bounteous agricultural production, an immensely happy life and sound protection are the five embellishments of a State, as visualised by Thiruvalluvar. On behalf of my Government whose functioning is guided by the objectives of retaining these embellishments perennially, I have great pleasure in placing the Revised Estimates for 1980–81 and the Budget Estimates for 1981–82 for the approval of the House.

2. Before dwelling on the financial position of the State, it is my duty to refer to the situation prevailing in the country. Increase in the prices of essential commodities, inflationary trends and shortage in consumer commodities prevalent at the All-India level have adversely affected Tamil Nadu. In addition to this, the severe drought condition in many parts of the State resulting from the failure of monsoons has brought misery to the people of Tamil Nadu in many ways. The State Government

with its limited rights, powers, opportunities, capacity and financial resources, has to handle this situation to the extent possible. To resolve difficult situations that arise and to give help to the affected persons, the State Government needs substantial additional resources. As the powers and the financial sources are very much restricted in the present federal structure of the Indian Constitution, State Governments have necessarily to look up to the Union Government every now and then for assistance. While speaking on the floor of the Rajya Sabha, Perarignar Anna once said, clearly and unequivocally, as follows :—

> " The working of the federal structure all these years has created a sense of frustration in the minds of the States. They feel that the States are fast becoming dole-getting corporations. The States are feeling more and more frustrated that their demand is to make the Union Government think that there should be a review of the Constitution, a reappraisal of the Constitution. "

As it is the direct responsibility and duty of the State Government to ensure the welfare of the people, I would like to take this opportunity to emphasise that the Central Government should come forward to give necessary powers to the States. A few days ago, Government of India has announced an increase in the procurement price of wheat from Rs. 117 to Rs. 130 per quintal. The State Government has been pleading with Government of India for a higher fixation of the procurement price for paddy. It is hoped that Government of India will agree to an upward revision of paddy prices as requested by this Government.

3. I would like to draw the attention of the Honourable Members of this House to the grim situation facing the State on the drought front. This House had the opportunity of discussing this subject in very great detail a couple of weeks ago. Since then, the Chief Minister, my Cabinet colleagues and myself have been touring throughout the State, to get to know first-hand, the drought conditions in various districts. Consequent to these visits and other follow-up measures taken by the Government, the administrative machinery has been geared fully to meet this challenge. I would also like to assure the Honourable Members that no effort will be spared to alleviate the sufferings of the people nor will finance be considered as a constraint for taking remedial measures. Digging and deepening of wells through Tamil Nadu Water-Supply and Drainage Board, Agricultural Engineering Department and the Ground Water Directorate have been undertaken on a massive scale. At this juncture, I would recall what happened when Tamil Nadu had a severe spell of drought some years ago. The poor villagers had to sell their cattle and their belongings and had to migrate to other districts in search of water, food and employment. But this time due to timely action taken by the Government, this catastrophe has been averted. Government is also confident that such a situation will not arise in the coming months either, as a well worked out drought relief programme ensuring water, food supplies and employment opportunities will continue to be implemented. Government of India have already been appraised of the seriousness of the situation and the need for sending a Central team for on the spot assessment

of the condition. I am confident that the Central Government would render assistance to the State Government to the maximum extent possible. I am sure that in this common cause, all the Honourable Members will extend their fullest co-operation so that the hands of the Government are strengthened in helping the people out of their sufferings. I may also assure the Members that though the drought is severe, it is well under control and everything possible will be done by the Government to ensure that the people are supplied with drinking water, food and other necessities of life.

Food Situation

4. As a result of the failure of the monsoons, production of foodgrains is likely to show a downward trend. If the monsoons are favourable to us, we expect to touch an aggregate food production of 92·14 lakh tonnes during the next year comprising 65 lakh tonnes of rice, 22·80 lakh tonnes of millets and 4·34 lakh tonnes of pulses.

5. Consequent to the failure of the monsoon, production of paddy has fallen below normal levels. This has increased the demand for rice in the Public Distribution System. To meet this, Government introduced traders' levy on paddy and rice purchased by the wholesalers throughout the State at the point of first purchase. Sufficient buffer stock will be built up to supplement the availability in the open market. Tamil Nadu Civil Supplies Corporation has been permitted to purchase rice from the open market outside the State. Steps have also been taken to procure and bring paddy or rice from surplus States

like Andhra Pradesh. State Government has also made a request to the Central Government to make a larger allocation from the Central pool and to move this quickly into the State. It has been suggested that as against 3,000 tonnes of wheat per month, 10,000 tonnes of wheat may be allocated.

State Plan

6. Now turning to the Plan projects, as the Honourable Members are aware, the State's Sixth Five-Year Plan has been fixed at Rs. 3,150 crores. While the allocation for the current year is Rs. 411 crores, the Union Planning Commission has approved a Plan Outlay of Rs. 514 crores during the next financial year. But, it is the view of the Government that the scope of developmental activities needs to be extended so that many more schemes can be taken up for implementation. Consequently, a Plan for Rs. 563·26 crores has been drawn up for implementation during the next financial year. This necessarily would mean that the State Government's efforts in mobilising resources to fulfil this ambitious programme with a higher outlay, would require further intensification. I will advert to this in greater detail a little later.

Agriculture

7. The Government is of the view that agricultural extension work in the rural areas requires special attention. To achieve this, a new project to reorganise and strengthen the agricultural extension work has been formulated and negotiations are being conducted with the World Bank officials to implement this scheme shortly. This scheme will provide agriculturists up-to-date advice on

farm practices, best suited to the local conditions. It is expected that this will be introduced throughout the State over a period of about two years.

8. This Government is implementing a scheme for increasing the production of coconuts from the existing level of 103 crore nuts to 153 crore nuts per year, over a period of five years. The activities in the nurseries for producing quality coconut seedlings are also being increased considerably to achieve this objective. The Government is also considering a proposal for encouraging palm cultivation to increase the indigenous production of Palmolein oil. This will be done in certain selected districts where climatic conditions are most suitable for the growth of this special variety of palm trees. This scheme along with other schemes for increasing the production of edible oils, will help the State to tide over the shortage of edible oil after a few years. The Government also proposes to increase the production of groundnut in the districts of Chengalpattu, North Arcot and South Arcot over a period of ten years. With this goal in mind, the Oil Seeds Growers' Federation has been established, which, through its member co-operative societies, will assist the farmers to increase the productivity and get a better price for their produce.

9. The Small Farmers' Development Agency (SFDA) programme has been merged with the Integrated Rural Development Programme with effect from October 1980. During the next year, this programme will be implemented in all the blocks at a cost of Rs. 20·64 crores which will be shared equally by Central and State Governments.

Co-operation

10. The Co-operative movement has taken deep roots in Tamil Nadu. The help being given by Government to this sector is very well-known. A number of schemes will be undertaken during next finacial year to add strength to the growth of the Co-operative movement. It is proposed to cover one lakh families of agriculturists belonging to Scheduled Castes by enrolling one person from each family to the membership of Agricultural Service Co-operative Societies so as to enable them to avail themselves of the credit and other services rendered by the societies and for improving their income. In 1981-82, the number of members to be admitted would be 40,000. It is also proposed to give a subsidy of Rs. 100 to each of these persons admitted as a member, towards the share capital to be paid by him to the society for raising cultivation loans and/or medium term loans for dairying, poultry-keeping, sheep breeding, etc.

11. Yet another proposal to be introduced during 1981-82, is to organise motorised cycle rickshaw drivers' societies, in important centres in the State and to provide financial assistance to 1,000 members for the purchase of 1,000 motorised cycle rickshaws. The assistance from the State Government will be in the form of subsidy of Rs. 1,125 towards 25 per cent of the cost of each motorised cycle rickshaws. The balance of the cost will be met through loans.

Animal Husbandry

12. In the year 1981-82, Intensive Cattle Development Project will be commenced in the two districts, Chengalpattu and South Arcot at an estimated cost of Rs. 29·60

lakhs. In each project, one lakh heads of cattle will be covered to improve their quality and increase the milk yield. Government has been running nine livestock farms where vast extent of area can be put to profitable use with development of irrigation facilities. In the next financial year, Government proposes to strengthen 4 livestock farms by creating additional water sources, purchasing agriculture implements, etc., at a cost of Rs. 19·08 lakhs. Opening of 20 new veterinary dispensaries, upgradation of 4 dispensaries into hospitals and upgradation of 3 hospitals into clinical centres will be taken up next year. A new poultry disease diagnostic laboratory will be set up at Erode in Periyar district where a lot of interest is shown in poultry development. Rinderpest tissue culture vaccine production section of Institute of Veterinary Preventive Medicine at Ranipet will be strengthened to produce adequate quantity of tissue culture rinderpest vaccine to eradicate this dreadful disease. Government has drawn up a scheme at a cost of Rs. 31·53 crores for development of poultry in Tamil Nadu. This scheme has been sent to Government of India for getting assistance from World Bank.

Irrigation

13. During the Sixth Plan, Rs. 150 crores have been earmarked for major and medium irrigation projects and Rs. 18 crores for minor irrigation projects. The outlay proposed for the next year under irrigation is Rs. 26·62 crores. An additional potential to benefit 20,500 acres of land will be created which is expected to yield food production of 20,500 tonnes of irrigated dry crops.

14. In view of the marginal availability of untapped surface flows, the programme of modernisation of existing irrigation systems which aims at economy in water use and extension of irrigation from the water thus saved, has been given priority in the Sixth Plan. Fifty-five per cent of the total outlay on irrigation is earmarked for modernisation schemes. One of the major modernisation projects which is under implementation is the Periyar-Vaigai Modernisation Scheme. The reduction of water losses in this project under the existing conveyance system will be used to increase the irrigated area by about 25,455 acres.

Fisheries and Fishermen Welfare

15. A programme has been started for improving the inland fish production. The first phase will have a target of 100 million fingerlings per year which will be completed by 1983-84. Two more phases will be taken up subsequently which will step up the production to 300 million fingerlings per year. Further, reservoirs and irrigation tanks would be stocked with quality fish seeds. A training programme for the rural youth in Prawn Farming has also been taken up. These centres will train about 1,000 youths in a year. Simultaneously, the activities in the deep sea fishing will also be accelerated. During 1981-82, four sophisticated deep sea fishing trawlers will be acquired and deployed to exploit fish resources available in the Wadge Bank, Pedro Bank, Gulf of Mannar and Palk Bay areas. In addition, the Tamil Nadu Fisheries Development Corporation will acquire five 45 feet purse-seiner vessels to exploit pelagic resources in the south-west and south-east coasts. The Corporation will

also expand and intensify the marketing activities by opening more retail outlets in Madras City and in other important cities like Coimbatore, Madurai and Tiruchirappalli.

16. The landing facilities and fishing harbours will also be improved during the next financial year. A major fishing harbour at Madras is under construction. Yet another fishing harbour at Chinnamuttom and a minor landing jetty at Valinokkam will be taken up during the next year. Investigations have been completed for developing similar facilities at Pazhayar in Thanjavur district. It is proposed to provide such facilities in Thondi village also and investigations have been taken up. In collaboration with F.A.O. Government has been taking various steps to improve the earnings of fishermen. Trials with small fishing boats, improved indigenous crafts and surf boats, are being conducted to assess the most suitable and efficient small fishing crafts to increase the marine fish landings of small fishermen. Experiments are also being conducted at Mandapam and Tuticorin to assess the efficiency of the pair trawling methods.

Forest

17. It is very well-known that failure of monsoons generally results from the extensive deforestation activities. While it is necessary to cut down trees for domestic and industrial uses, it is equally necessary that forest growth is kept up at a fast rate. Government has been giving special importance to social forestry. Talks are under way with SIDA (Swedish International Development

Agency) for drawing up a special scheme costing Rs. 45 crores under Social Forestry, during the Sixth Five-Year Plan period.

Power

18. The State Government has given the topmost priority for development of power in the State. In the Sixth Plan, the outlay will go up to about Rs. 1,023 crores in an overall outlay of Rs. 3,150 crores. The installed capacity of Tamil Nadu grid, which was 2,719 megawatts at the beginning of the present Plan period will be increased to 4,769 megawatts by the end of the Plan. The second unit of the Tuticorin thermal project was commissioned in the month of January this year. With the commissioning of the third unit of the Tuticorin thermal project and the 235 MW unit of Kalpakkam Atomic Power Project, the generating capacity will be increased to 3,374 MW during 1981-82. Works have been commissioned for setting up of the Mettur Thermal Project and Lower Mettur-Hydro-electric Project from which Tamil Nadu grid will draw benefits in the last two years of this Plan period. A project report for replacement of the existing units of the Basin Bridge Power House by a 110 MW unit, is now before the Government of India. A 630 MW capacity thermal station in North Madras is being proposed. Till February 1981, 29,742 agricultural pumpsets were energised, as against a target of 30,000 pumpsets for the year. With the energisation of 916,969 pumpsets, Tamil Nadu has the distinction of being first among all the States in this field. These efforts will be continued and 30,000 more pumpsets will be energised during 1981-82. During the very short period of $1\frac{1}{2}$ years after the commencement of the scheme of electrifying the huts, 2·7 lakh huts have been given power supply so far.

19. The low storage position in the reservoirs resulting from the failure of monsoons has forced the Government to impose a cut in supply of electricity. But with the production of power picking up at Ennore and Tuticorin and supplies coming from Kerala and Neyveli, it is hoped that the position will improve.

20. During the last three years the cost of coal has increased from Rs. 82 to Rs. 114 per tonne. Similarly the ocean freight as well as railway freight rates have also gone up considerably. In addition increase in the cost of power purchased from Kerala has added on to the cost. Apart from this, power is purchased from the Neyveli project at a fairly high rate. The revenue presently earned by the Electricity Board does not cover the running expenditure fully. Even for covering the maintenance cost, principal and interest liabilities to the Institutions, Government has to give assistance. After taking into account Rs. 100 crores as assistance from Government, there will still be a gap of Rs. 89·31 crores in a Plan of Rs. 169·59 crores. Planning Commission has stressed the need for a tariff revision, which, according to them, is absolutely essential to improve the performance of Electricity Board. Planning Commission has also mentioned that the rates charged by Tamil Nadu Electricity Board is one of the lowest in the country and it has pointed out that it is inadvisable to continue this low rate of tariff.

Industrial Development

21. In the field of industrialisation, Tamil Nadu has done quite well. Suggestions have been received from various quarters that further incentives must be given for

encouraging the setting up of new industries in the State. Government is examining all these suggestions and a decision will be taken soon. In the meantime, the public sector industrial corporations are forging ahead with their own schemes. An application has been made for a letter of intent for setting up the third cement plant in the public sector in Madurai district. This project costing about Rs. 32 crores will generate employment for about 1,000 persons. TIDCO is also pursuing the Explosives Project to be set up in North Arcot district with Swedish collaboration at an estimated cost of about Rs. 20 crores. The spinning mills in the co-operative sector have done creditably well during this year. Certain mills have generated sufficient surplus funds to take up expansion of their installed capacity. The mills in North Arcot and Salem will increase their spindlage from 12,000 to 25,000 and the mill at Pettai is intending to establish another unit at Ettayapuram with an installed capacity of 12,000 spindles. In addition, 3 more spinning mills will be set up in the co-operative sector by the Government to cater to the increased demands of the weavers. A provision of Rs. 1·70 crores has been made in the budget for starting a sugar factory in 1981-82 with a crushing capacity of 1,250 tonnes per day.

22. Tamil Nadu Minerals Limited, a public sector undertaking has done commendably well by achieving a very high turn over. This Corporation has done particularly well in promoting exports and 90 per cent of its income is by way of foreign exchange. Its profits are likely to wipe out all the accumulated losses incurred so far.

23. Tamil Nadu Magnesites Limited, another public sector company has earned profit in the very first year of its operation. A beneficiation-*cum*-refractory plant at a cost of Rs. 3 crores will be set up to further improve the performance of this Corporation.

Small Industries

24. Government is also attaching great importance to the development of small scale industries and through the Tamil Nadu Industrial Investment Corporation, small scale units are getting better financial facilities. During the current year, this Corporation is expected to double its operations with the sanctions going up to Rs. 32 crores. During next year, it has programmed to expand its financing operations to Rs. 45 crores. Government is also promoting the growth of small scale industries through another of its Corporation, viz., Tamil Nadu Small Industries Development Corporation. Assistance is given to small scale industries by this corporation among other things for construction of work-sheds and Tiny-sheds. It procures iron and steel, paraffin wax, coal and coke for distribution among the small scale units. During the current year, the turn over of this corporation will increase from Rs. 12 crores to Rs. 17 crores, while during the next year it will be stepped up to Rs. 25 crores. This Corporation is also concentrating on reviving sick units by providing margin money assistance.

Handloom

25. The continuing interest of the Government in the welfare of the handloom weavers is very well-known. Recently when there was an increase in the price of yarn,

Government arranged supply of yarn of counts 20s to 40s at reasonable prices. At Government instance, the South India Mill Owners' Association has agreed to make available 5,000 bales of hank yarn at reduced rates in coarse counts of 40s for distribution to handloom weavers. The Government intends to introduce the "Tamil Nadu Handloom Workers' Conditions of Employment and Miscellaneous Provision Bill" shortly to regulate the working conditions of the weavers.

26 The Government has also been taking steps for increasing the marketing of handloom cloths of Co-optex. The turnover of Co-optex will cross Rs. 45 crores in the current year and will further be increased to Rs. 50 crores in 1981–82. The Government will invest next year Rs. 100 lakhs in the share capital of Co-optex with assistance from Government of India.

Village Industries

27. Employment in the rural sector is given an impetus by the Government through the Khadi and Village Industries Board. The Board is expecting to create additional employment opportunities for 33,000 persons during the next finanical year. The Board will be expanding its Chrome Tanned Upper Leather Units in Periyar district at a cost of Rs. 21·12 lakhs. State Government will continue to provide adequate assistance to the Board to Finance its activities. By lending Rs. 27 crores through T.I.I.C., by procuring raw materials of the value Rs. 25 crores through SIDCO, by increasing the turnover of the village Industries of the Khadi and Village Industries Board to Rs. 45 crores and by allocating a plan

provision of Rs. 13·19 crores, Government will be further promoting the development of the small scale and village industries in the next financial year.

Roads

28. Formation and improvement of roads benefiting villages of population of 1,500 have been attended to by Government in a phased manner. This scheme consisting of 5 phases will cover 2,789 villages at an outlay of Rs. 28·25 crores forming 4,819 km of road network. In the current year, this programme will be implemented in self-sufficiency blocks for which purpose Rs. 6 crores have been allocated. This has been enhanced to Rs. 7 crores for the next year. The total outlay is of the order of Rs. 40 crores for the Sixth Plan period. In addition to this, the programme of Government to take over panchayat roads on which buses ply will be continued with a provision of Rs. 10 crores this financial year. During the next financial year the provision will be stepped up to Rs. 13 crores.

Sethu Samudram Project

29. Members may kindly recall that this Government had been pressing the Union Government for taking up the Sethu Samudhram Project. I am happy to inform the Members that Government of India has since constituted a High Power Committee to have a fresh study of this Scheme.

Transport Corporation

30. Transport Corporations have put on roads during the course of the financial year about 1,376 buses till February 1981. New routes to connect 310 villages

benefiting the population of about ten lakhs have been introduced. The steep increases in the price of petroleum products and steel have adversely affected the financial position of the Transport Corporations. These Corporations which earned a pre-tax profit of Rs. 6·67 crores in 1979–80 are likely to end up with a huge loss of about Rs. 16 crores in 1980–81, which is bound to adversely affect the capital programmes of these Corporations. In view of the increased cost of fuel, there will be a gap of Rs. 14·46 crores in a Plan of Rs. 17·50 crores. In order to bridge this gap and to continue to give to the public an efficient and economic service, the revision of bus fare is inevitable. This has already been mentioned in the Governor's address. Necessary steps have been initiated by the Government for revising the fare. The neighbouring States have already revised the rates which are higher than the rates prevailing in Tamil Nadu. The two successive price hikes in petroleum products and huge increase in cost of all items involved in Transport operation has left us no other option except to raise the fare to an economical level.

Tourism

31. Tourism is gaining prominence day by day. It is one of the most important industries earning valuable foreign exchange for the country. Tamil Nadu Tourism Development Corporation is working hard to make the State attractive for tourists. Besides developing places of international tourist attraction like Mamallapuram, Rameswaram and Kanyakumari, the Government is also giving attention to develop new places like Pichavaram, Hogenakkal, etc., which

have a lot of tourism potential. A Master Plan for the development of Rameswaram involving a total outlay of Rs. 28 crores has been drawn up and forwarded to the Government of India for seeking assistance from the I.D.A. A scheme for setting up an open air museum at Mamallapuram which will depict among other things, the evolution of sculpture and temple architecture, has been sanctioned. Youth hostels for promoting youth tourism are under construction in about 8 places of tourist importance. As a further boost to the development of tourism, Tamil Nadu Tourism Development Corporation is continuing to put up tourists' hotels in important places. A 3 star hotel was recently commissioned at Madurai and another major project is nearing completion at Coimbatore. Recently, T.T.D.C. appointed overseas selling agents in Malaysia and Singapore for their coach tours. Tamil Nadu is the first State to have this distinction at the All-India level.

Education

32. In the year 1981–82, total outlay on Education has been stepped up from Rs. 238·88 crores in the current financial year to Rs. 255·35 crores. The Plan Outlay for Education in 1981–82 is Rs. 23·58 crores compared to the outlay of Rs. 18·71 crores in the Revised Estimates, 1980–81. In the year 1981–82, 1,650 teachers will be appointed consisting of 1,000 teachers at elementary school level and 200 B.T. grade teachers at high school level to cover the additional enrolment of students. In the Middle Schools 200 B.T. Grade Headmasters and 250 Physical Education Teachers will

be appointed, while 250 posts of part-time craft instructors will be converted into full-time posts. 500 Tamil Pandits will also be appointed in the Middle Schools. A new scheme for employment of Tamil Pandits by big temples is being drawn up. The Central Kitchen Scheme will be extended to Dharmapuri district at an estimated cost of Rs. 49·70 lakhs with CARE assistance. In the coming financial year, Science Laboratories for 50 High Schools will be equipped with science equipments and 5 Mobile Science Laboratories will be introduced in 5 Educational districts at an estimated cost of Rs. 50·17 lakhs. School buildings for Aided Corporations, Municipal and Government High Schools will be put up incurring an expenditure of Rs. 50 lakhs. Additional school buildings in 86 Higher Secondary Schools will be put up at an estimated cost of Rs. 2 crores. Industrial Training Institutes will be set up at Cuddalore and Arakkonam in 1981–82. Members may be aware, the Panchayat Union Teachers will become Government teachers from 1st June 1981.

33. Non-formal education in the Self-sufficiency Blocks will be commenced in 240 centres to cover those in the age-group 6—14. 100 Post-literacy Centres for neo-literates will be opened in the Self-sufficiency Blocks. Provision of Rs. 1,60 lakhs has been made in Budget Estimates, 1981–82 for Adult Education.

34. Provision of Rs. 10 lakhs for new Bachelor Degree Courses and Rs. 5 lakhs for new Post-Graduate Courses in colleges have been made in the Budget. Government will also commence certain new Post-Graduate Courses in Science in the Evening Colleges at a cost of Rs. 5 lakhs.

Additional class rooms and hostels will be constructed at an estimated cost of Rs. 18·50 lakhs. In the Governor's address, it was mentioned that two Universities—a Tamil University and a University at Karaikudi—would be established during the current financial year. Government has since decided to start the Tamil University at Thanjavur and is endeavouring to inaugurate it on Arignar Anna's Birthday on 15th September 1981. Regarding the establishment of the University at Karaikudi, it is under correspondence with the University Grants Commission. The World Tamil Sangam will be set up at a cost of Rs. 1 crore.

35. Government has been bestowing special attention to Technical Education. The Plan provision of Rs. 1,52·36 lakhs for the year 1980–81 has been increased to Rs. 2,13.71 lakhs in 1981–82. A Central Service Centre with a Computer will be set up in the Government College of Technology, Coimbatore at an estimated cost of Rs. 50 lakhs. In the Alagappa Chettiar College of Engineering and Technology at Karaikudi, a Control System Laboratory will be put up incurring an expenditure of Rs. 22·38 lakhs. For construction of hostels in five Technical Educational Institutions, Rs. 7 lakhs have been provided in the Budget. For the new Courses, a provision of Rs. 15 lakhs has been made.

Sports and Youth Welfare

36. Government is keen to develop Sports in Tamil Nadu. A new Department set up for this purpose has been taking up various steps to spot and develop talents and even from the young age. In 1981-82, construction of an open air stadium in Pudukottai and Periyar districts

will be started and in two district headquarters, swimming pools will be constructed. In 150 Panchayats, rural sports centres will be set up. To select talented sportsmen even in the young age, the programme "Catch them Young" will be continued and expanded in the coming year. Government intends putting up an indoor stadium in Madras in the next financial year.

Health

37. Government attaches a lot of importance to the concept of providing health facilities in the rural areas. It has been proposed to open 20 new primary health centres during next year. Further, 14 existing centres will be upgraded at a cost of Rs. 82 lakhs for providing facilities of a hospital. The annual allocation for drugs for the existing mobile team will be increased from Rs. 15,000 to Rs. 20,000. The scheme for medical check-up of school children in the age-group of 6 and 11 will be extended to 50 primary health centres and 25 municipalities as against 20 primary health centres during the current year. The scheme for immunisation of children with triple vaccine, will be extended to 50 more primary health centres. By these measures, 8·5 lakh school children will be additionally covered in the year 1981-82. At the same time, Government has not been ignoring the needs of the urban areas. In this International Year of the Disabled persons, Government has proposed to set up a Peripheral Limb Fitting and Rehabilitation Centre at Government Rajaji Hospital, Madurai and a new building for this purpose will be constructed at a cost of

Rs. 24·5 lakhs. A Renal Transplantation Unit in Government General Hospital, Madras and a Virology Unit at Madurai Medical College will also be taken up during the next year. A separate Paediatric Block will be put up at Stanley Hospital to benefit children in the Northern part of the City. A new Peripheral hospital at Perambur at a cost of Rs. 1,70·91 lakhs will be constructed. During next year the bed strength in the teaching hospitals will be increased to 15,050. In the district headquarters hospitals, 507 beds will be added to the existing strength of 4,631 beds. During the next financial year, the accident emergencies relief scheme will be extended to 4 districts at an ultimate cost of Rs. 1,81·38 lakhs. All the district headquarters hospitals will be provided with the stand-by-generators and for this purpose, Rs. 13 lakhs have been set apart in the next financial year.

38. A comprehensive and an all embracing health care programme which would include strengthening of infra-structural facilities in the rural hospitals with special emphasis on the strengthening of maternity and child health, family welfare and preventive services will be taken up for implementation in 1981-82, with aid from the Danish International Development Agency. This project will be implemented in Salem and South Arcot districts over a period of 5 years at an estimated cost of Rs. 14 crores. The aim of this project is to improve the health status of the population in the project area and to cater to the needs of the weaker sections of the society. A provision of Rs. 2·4 crores has been made for this project in the year 1981-82. The provision for Indian Medicine which was

Rs. 41·25 lakhs in the year 1975-76 has been stepped up to Rs. 1,02·37 lakhs during 1980-81. This Government is taking keen interest in the development of Indian Medicine. Keeping this in view, Government has decided to open Siddha wings in 200 primary health centres next year at a cost of Rs. 62 lakhs. In the district headquarters hospitals at Ramanathapuram, Dharmapuri and Chidambaram, 15 bed wards will be started for children while 24 beds will be opened in the Arignar Anna Hospital for Indian Medicine at Madras. Separate buildings for the Siddha wing will be constructed at a cost of Rs. 5 lakhs in the headquarters hospitals at Dindigul and Vellore. For implementing all these schemes, the provision under Indian Medicine will be increased to Rs. 1,71·47 lakhs in 1981-82.

39. In the course of this year, the General Hospital at Madras has had the distinction of putting into operation CAT Scanner and Echo Cardiogram, two very expensive and sophisticated medical gadgets. This has proved a boon to numerous patients suffering from cardiac and brain ailments. Government is also considering a proposal to expand the medical facilities in General Hospital, Madras by taking over the present Jail premises which will be shifted to another location outside the city.

Family Welfare

40. The Family Welfare Programme is being implemented vigorously in the State. As against the sterilisation target of 182,000 for the current financial year, the achievement up to end of January 1981 is 101,253. Allocation of additional 10 beds have been permitted

in district headquarters hospitals for post-partum purposes. The construction of 20 bedded post-partum wards in 14 district headquarters hospitals at an estimated cost of Rs. 28·60 lakhs, is in progress. To ensure quality and to obviate the irregularities and other defects pointed out by the Evaluation Teams, the State Government has dispensed with the Intensive Family Welfare Campaign during the current year. It is now being implemented on a steady and continuous basis throughout the year.

Rural Development

41. The Food for Work Programme and the National Rural Employment Programme, which has replaced the Food for Work Programme, has provided considerable employment opportunities to unskilled rural workers and has also created durable community assets. During the current year, a cash grant of Rs. 7,68·5 lakhs in addition to 60,000 tonnes of rice have been allotted by Government of India under these programmes. From 1st April 1980, till end of February 1981, about Rs. 8·36 crores worth of works have been completed. Till end of February, about 3 lakh persons were provided with employment under the Employment Guarantee Scheme.

Self-Sufficiency Scheme

42. The self-sufficiency scheme which is one of the most important programmes being implemented in the rural areas, is now in progress in 69 blocks. As the Honourable Members are aware, the following essential works are undertaken in the scheme :

(i) Drinking water-supply ;
(ii) Link roads ;
(iii) Culverts ;

(iv) Pathways to Harijan habitations and burial grounds ;
(v) Improvements to minor irrigation sources ;
(vi) Rural dispensaries ;
(vii) Maternity and child welfare centres ;
(viii) School buildings ;
(ix) Houses for Harijans (Rural Housing Scheme).

The results under the self-sufficiency scheme have been commendable. Works on about 6,796 kilometres of link roads 976 kilometres of pathways to Harijan colonies and burial grounds, about 942 school buildings, about 81 rural dispensaries and about 237 maternity and child welfare centres are expected to be completed would be nearing completion by the end of this financial year. Taking note of the success of the scheme, Government will be taking up works in 150 new blocks during the year 1981–82.

Rural Water Supply

43. The programme of providing rural water-supply to all category II villages will be very nearly completed. The provision for 1981-82 under this programme has been stepped up to Rs. 24·5 crores to cover the habitation in the blocks under the self-sufficiency scheme besides others.

Rural Housing

44. The rural housing scheme started by this Government in 1979 has been a great success. As against the original target of 1 lakh houses in five years, Government has proposed to assist construction of 2 lakh

houses in five years. During the eight months between July 1980 and February 1981, 73,756 loan applications for Rs. 22·68 crores have been sanctioned. In that period, 19,952 houses were completed of which 15,009 were accounted for by Adi-Dravidars. In 1981–82, assistance will be given for construction of 40,000 houses.

Slum Clearance Board

45. The work of the Slum Clearance Board is progressing well. Till 1980, 27,783 tenements at a cost of about Rs. 29 crores have been constructed. During the current year, about 3,200 tenements are expected to be completed at a cost of Rs. 3·24 crores. During the next financial year, 3,500 more tenements will be put up at a cost of Rs. 3·42 crores. Assistance to Slum Clearance Board for this scheme has been stepped up from Rs. 150 lakhs in 1980-81 to Rs. 250 lakhs in 1981-82.

Welfare of the Disabled

46. In this International year of disabled persons, Government will be launching many new schemes for the benefit of the disabled. Government proposes to set up three Regional Centres for giving special training to the disabled and for securing them suitable placements. In addition, two schools for the blind, two schools for the deaf and one centre for severely orthopaedically handicapped will be started next year. The allowance given to unemployed graduates will be extended to physically handicapped with a few relaxation of the conditions. Government will also provide subsidy for small units to be set up by physically handicapped persons to enable them launch

self-employment ventures. Two new sub-centres for artificial limbs and peripheral limb fitting and rehabilitation centre at Madurai will be commenced in the coming year. A proper identification and enumeration of the physically disabled persons is essential for drawing up suitable schemes. Government will take up census of the physically disabled persons. Apart from the continuing schemes, an additional provision of Rs. 59 lakhs has been set apart for the programmes of the welfare of the physically disabled in the year 1981-82. The free bus pass scheme for the handicapped children, will be extended throughout Tamil Nadu.

Welfare of Women and Children

47. Government has been implementing various schemes for the benefit of poor women to improve their standard of living. In 1981–82, a new scheme to give vocational training in Book-Keeping and Accountancy for 1,000 poor women will be taken up for implementation. Financial assistance to children of widows studying in higher secondary schools will be given. The question of supplying " thalis " at subsidised cost has been engaging the attention of the Government. In 1981–82 a beginning will be made for giving " thalis " at subsidised cost for the marriage of the daughters of poor widows. A provision of Rs. 10 lakhs has been made for this purpose.

48. In 1981-82, 100 new child welfare centres will be opened and for 20 Balwadi buildings will be constructed. It is also proposed to open 100 new creches in the Integrated Child Development Service Programme area in Madras City. 50 creches each will be started in Coimbatore and

Madurai to look after the children of women workers. The World Bank Nutrition Project will be extended in 1981-82 to 33 blocks in the district of Madurai. A provision of Rs. 8·54 crores has been made for this project in the Budget. Construction of Health sub-centres, selection and training of nutrition workers and health workers, and supplying of nutrition supplement will be taken up next year.

Welfare of Scheduled Castes and Scheduled Tribes

49. 15 hostels for scheduled castes and scheduled tribes students will be opened in the coming year. The food charges in hostels for high school students will be raised by Rs. 15 and the residential scholarship in subsidised hostels will be raised by Rs. 10 for both scheduled castes, scheduled tribes and backward classes. Additional expenditure of Rs. 1 crore will be incurred for this purpose. A provision of Rs. 2,45 lakhs has been made for construction of hostels for boys and girls of scheduled castes and scheduled tribes in the year 1981-82. In the year 1981-82, Government proposes to take up on a pilot basis a new scheme for giving special coaching to students of scheduled caste and scheduled tribes at high school level. This scheme will be launched to cover students in 500 high schools. The special component plan for scheduled castes is being implemented in all the blocks to increase the per capita income of 1·8 lakh families annually to enable them cross the poverty line as determined by the Union Planning Commission. A provision of Rs. 1 crore has been made for share capital investment in the Harijan Housing and Development Corporation for taking up economic

development activities for the benefits of scheduled castes. To help the hill tribes, a separate programme to start small scale industries will drawn up.

Welfare of Backward Classes

50. In the year 1980–81, Government sanctioned opening of 34 hostels for the students of Backward Classes. In 1981–82, 40 new hostels will be opened at an estimated cost of Rs. 13·16 lakhs. Buildings for three hostels will be taken up for construction. Government will be launching a new scheme in 1981–82 for acquisition of lands for house sites to Narikuravars, Oddars, Barbers and Washermen. A provision of Rs. 15 lakhs has been made for this purpose in this Budget. The budget provision for welfare of Backward Classes has been increased from Rs. 7,56 lakhs in the Revised Estimates to Rs. 7,99 lakhs in the Budget Estimates 1981–82.

Cyclone Shelters

51. Tamil Nadu coast is hit by cyclones quite frequently. Hence the Government has ordered the construction of 82 cyclone relief centres along the coast-line for providing several shelters to inhabitants of cyclone prone areas during times of cyclones. 25 such relief centres are constructed with financial assistance from Tamil Nadu branch Indian Red Cross Society on 50 : 50 cost sharing basis. The Canadian International Agency is assisting in the construction of 2 shelters through UNICEF, on the same partial sharing basis as mentioned above. The European Economic Community has offered one crore of rupees for the construction of 50 cyclone relief centres. The progress in the construction of these shelters has been very good.

Revenue Administration

52. Government has been taking up in a phased manner construction of Office-*cum*-Residence for the firka Revenue Inspectors. In 1981-82 construction of 200 additional buildings at a cost of Rs. 50 lakhs will be taken up. Construction work of village chavadies at a cost of Rs. 10 lakhs will also be commenced. Office buildings for two Revenue Divisional offices and three taluk offices at an estimated cost of Rs. 27·50 lakhs will be built in the coming year. Government has sanctioned construction of new office building for the Collectorate and other offices in the newly created Periyar district at Erode. A provision of Rs. 1,26 lakhs has been made in the Budget for 1981-82 for taking up this work. Since the census work was taken up, upgradation of sub-taluks was kept in abeyance in 1980-81. In the next year, six Independent sub-taluks and 10 dependant sub-taluks will be upgraded into full-fledged taluks at an estimated cost of Rs. 32·32 lakhs.

Police

53. The Police personnel in the State are discharging their duties efficiently and impartially. Government on its part is formulating various welfare measures to help the police personnel who work under very difficult conditions. The distribution of subsidised food articles costing roughly Rs. 4 crores a year has proved to be a very beneficial measure to the families of policemen.

54. In order to boost the morale and instil courage and confidence in the minds of the police, a special ex-gratia payment of Rs. 10,000 is given to those killed in

action under heroic circumstances, besides the lumpsum grant of Rs. 10,000 paid under the Tamil Nadu Government servants' Family Benefit Scheme. Similarly ex-gratia payment ranging from Rs. 1,000 to Rs. 3,000 is also paid to those who sustain injuries. Those who are permanently incapacitated from the injuries sustained in action under heroic circumstances, are also given ex-gratia payment of Rs. 5,000. Under special circumstances, extra amount is also given as in the case of some police officers who were killed in August 1980 near Tirupathur taluk Police Station when an additional ex-gratia payment of Rs. 30,000 was made to each of the families, bringing the total financial relief in each case to Rs. 50,000.

55. During the current year, 16 new police stations, 8 new police outposts and one new circle headquarters have been ordered to be opened in the State. In addition, three existing police outposts have been upgraded into pucca police stations. Keeping in mind, the need to extend protection to villages against the activities of anti-social elements, Government will continue to open new police stations in rural areas wherever necessary. The State had programmed to recruit 12,000 Police personnel. As part of this scheme, 4,000 have been recruited during the current financial year.

56. Government have sanctioned nearly Rs. 2 crores for the purchase of 350 V.H.F. sets and 1,800 Walkie Talkie sets which are meant to modernise and equip the police force. Sanction has been accorded for a sum of Rs. 1·2 crores for acquisition of U.H.F. facilities.

57. The women's wing of the police is also being strengthened. Government has sanctioned the employment of 60 women sub-inspectors, 60 women head constables and 600 women police constables.

58. The Fire Service Department is continuing to render efficient service. It is proposed to give top priority for purchase of ready-built fire engines like the mobile tank unit, trailer pump, wireless cars and other sophisticated fire engines. Some other items of equipment are also being added on to the Department. New fire stations have been sanctioned to strengthen the activities of the Department. The fire service personnel below certain levels are being provided with certain food commodities at subsidised rates.

Concessions to Government Servants

59. Honourable Members are aware of the appointment of One Man Commission which has been set up by the Government to go into the cases of alleged anomalies resulting from the implementation of the recommendations of the Third Pay Commission. This Commission has since submitted its report. In pursuance of the recommendations of this Commission, the Government has decided to extend the following concessions to the employees :—

(1) Pay scales of over 100 categories of posts will be revised ; these scales will be given effect to from 1st April 1978 with monetary benefit from 1st January 1981;

(2) House Rent Allowance and City Compensatory Allowance are not being paid along with surrender leave

salary at present. The Government has now decided that these two allowances will also be paid along with the surrender leave salary ;

(3) Stagnation increments will be allowed to those who are stagnating in the Selection Grade for more than 10 years ;

(4) Employees who have reached the maximum of the pay scale whether in the ordinary grade or in the Selection Grade, shall continue to get stagnation increments.

(5) The maximum of the pay limit for sanctioning stagnation increments which is Rs. 1,500 shall be raised to Rs. 2,000;

(6) While fixing the pay in the Selection Grade, the minimum benefit that shall be allowed to the employees will be as follows :—

Employees in the Grade.	*Minimum benefit.*
	RS.
VIII to XI	15
XII to XVI	10

(7) On promotion to higher posts carrying higher responsibilities, the pay of the employees shall be fixed in such a way as to ensure a minimum benefit of at least 5 per cent over their pay in the lower post ;

(8) A scheme of Leave Travel Concession shall be extended to all the permanent and approved probationer State Government employees once in two years for the journey of the employee and his family to any place in the State, beyond 240 kms from his place of work. The

Government will bear the railway fare one way and the Government servant shall be required to compulsorily go on 15 days' earned leave for availing himself of this concession.

(9) The employees will also be given the opportunity to give their option for getting their pay refixed between 1st April 1978 and 31st March 1979 in the revised scale of pay either as recommended by the Third Pay Commission or by the One Man Commission, which has been accepted by Government. This option must be exercised before 31st August 1981.

The cost of implementing the recommendations of the One Man Commission would be of the order of about Rs. 3 crores per annum.

60. The marriage advance given to Government servants will be increased from Rs. 2,000 to Rs. 3,000 for the marriage of the daughters and from Rs. 1,000 to Rs. 1,500 for the marriage of the sons.

61. Repeated representations have been received from pensioners urging the restoration of the commuted portion of the pension. Government after taking a sympathetic view has decided to restore the full commuted portion of the pension to all those pensioners with effect from the date on which they complete 15 years from the date of retirement.

All the above concessions will be given effect to from the date of the orders sanctioning them.

62. As the All-India Consumer Price Index crossed 376 points, Government has decided to sanction another instalment of dearness allowance to Government servants.

This will be given from 1st December 1980, at additional 2·5 per cent for those drawing pay upto Rs. 650 and 1·875 per cent for those drawing pay more than Rs. 650.

Annual Plan

63. The Budget Estimates for 1980–81 were presented projecting an Annual Plan Outlay of Rs. 438·61 crores. Taking into account the various changes that have taken place subsequent to the preparation of the Budget, the Revised Estimates now arrived at, present a picture of Rs. 454 crores as outlay for 1980–81. As against this outlay, the Union Planning Commission approved a Plan Outlay of Rs. 514 crores for the year 1981–82. As outlined in the earlier portion of my speech, there are certain essential increases which cannot be accommodated within the outlay approved by the Union Planning Commission. The new schemes that have been proposed during the year account for a plan expenditure of Rs. 35 crores. Taking into account these important provisions and keeping in view the outlay of Rs. 3,150 crores for the Sixth Five-Year Plan, 1980–85, the Budget Estimates have been drawn up projecting an Annual Plan of Rs. 563·26 crores. I have already highlighted the important schemes in the various sectors. Power sector continues to receive maximum attention with 30 per cent of the total plan outlay. The outlay in other sectors are : Rs. 169·59 crores for Power, Rs. 26·62 crores for Irrigation, Rs. 104·69 crores for agriculture and Allied Sectors, Rs. 55·61 crores for Industries, Rs. 37·61 crores for Road and Road Transport, Rs. 23·58 crores for Education, Rs. 25·89 crores for Health, Rs. 51·30

crores for Water-Supply and Drainage, Rs. 33·83 crores for Housing and Urban Development, Rs. 17·87 crores for Welfare of Scheduled Castes and Scheduled Tribes and Rs. 16·67 crores for other sectors.

Financial Position

64. The Budget Estimates for 1980–81 envisaged a revenue receipt of Rs. 982·66 crores and revenue expenditure of Rs. 967·27 crores leaving a surplus of Rs. 15·39 crores. In the Revised Estimates, excluding the provisions relating to subsidy to and interest receipts from Electricity Board amounting to Rs. 90·58 crores from both expenditure and revenue, it is anticipated that the revenue receipts will be Rs. 1,083·17 crores while the revenue expenditure will be Rs. 1,094·47 crores leaving a deficit of Rs. 11·30 crores. Though the tax revenue has registered an increase of Rs. 47·32 crores, the non-tax revenue has increased by Rs. 105·75 crores and assistance from Government of India and State's share of Union Excise Duty by Rs. 38·04 crores, there has been a worsening due to commitments taken on account of writing off of loans to agriculturists. The Revenue Expenditure also includes a provision of subsidy to Electricity Board to enable the Board to achieve the required percentage of return from the capital invested. The Revised Estimates provide for a capital expenditure of Rs. 93·33 crores as against the budgeted outlay of Rs. 94·21 crores. The net expenditure on Loan Account in the Revised Estimates is Rs. 77·55 crores as against Rs. 76·33 crores anticipated in the Budget Estimates for 1980-81. In Public Debt, the net receipt has been estimated at Rs. 109·70 crores as against Rs. 110·83 crores in Budget

Estimates, 1980–81. In all, the overall deficit in the Consolidated Fund originally estimated at Rs. 44·32 crores in the Budget Estimates, 1980–81 has now been arrived at Rs. 72·48 crores in the Revised Estimates. In Budget Estimates, 1980–81, taking into account the surplus in the Public Account the overall surplus was placed at Rs. 33 lakhs. In the Revised Estimates, it has changed to an overall deficit of Rs. 3·64 crores. Taking into account the Opening Balance of Rs. (—) 7·83 crores, the Closing Balance at the end of this financial year has been estimated at Rs. (—) 11·47 crores.

65. The Budget Estimates for 1981–82 provide for a revenue expenditure of Rs. 1,137·84 crores as against the revenue receipt of Rs. 1,128·27 crores. There will be a deficit in the revenue account to the tune of Rs. 9·57 crores. The capital expenditure in the year 1981–82 has been stepped up to Rs. 135·99 crores while in the Loan Account, the net expenditure will be Rs. 121·02 crores. Taking into account the net receipts of Rs. 112·62 crores in the Public Debt Account, the net deficit in the Consolidated Fund has been placed at Rs. 153·96 crores. The Budget for 1981–82 has been drawn up to reflect the overall deficit of Rs. 111·49 crores, after taking into account the net surplus of Rs. 42·47 crores in the Public Account. The closing balance at the end of the financial year will then be Rs. (—) 122·96 crores.

66. I had mentioned earlier about the need for increasing the resources for financing a bigger Plan Outlay and for undertaking various welfare measures in the State. After very careful consideration, Government feels that certain tax measures should be embarked on for financing

these developmental activities. However, care has been taken to see that this impact is minimal and that the common man is not hit by these few additional imposts. These are as follows :

67. Madras Corporation has been facing acute financial difficulties for the past many years. An agreement has recently been signed with the World Bank for improving the civic amenities in the Corporation limits. It has become very essential that financial assistance should be given on a more permanent footing to the Corporation for coping with the increased responsibilities. Hence, the surcharge on Sales Tax in Madras Corporation limits and the belt area of 32 kilometres around Madras City will be increased from the present rate of 5 per cent to 10 per cent, a sizeable portion of which will be given to the Madras Corporation.

68. Stamp Duty on sales, exchanges and gifts registered in places other than Madras, Madurai, Coimbatore, Salem and Tiruchirappalli will be raised from 6 per cent to 7 per cent. Stamp Duty on deeds relating to mortgage, lease, partition, release under Article 16 will be modified as follows. The rate on every Rs. 100 for the first Rs. 1,000 will be increased from Rs. 2·50 per Rs. 100 to Rs. 3 per Rs. 100. On values higher than Rs. 1,000 for every Rs. 500 or part, the rate will be increased to Rs. 15 from the existing level of Rs. 13. Stamp Duty on settlements will be increased from the present rate of Rs. 2·50 for Rs. 100 to 8 per cent of the value, in cities and 7 per cent of the value, in other places. Stamp Duty on deeds relating to releases under Article 55 will be revised to the same level as of settlements.

For giving effect to the changes relating to surcharge on sales tax and the changes in the Stamp Duty, suitable legislative measures will be introduced in this Session.

69. Sales Tax of 5 per cent on petrol in Tamil Nadu is the lowest compared to other States like Andhra Pradesh (11 per cent), Kerala (15 per cent) and Karnataka (12·5 per cent). Hence it is proposed to increase it to 11 per cent. In the case of diesel also, it is lower than those in some other States, like Andhra Pradesh (10 per cent), Kerala (20 per cent) and Karnataka (10 per cent). Hence, it is proposed to increase the sales tax on diesel from 9 per cent to 11 per cent.

70. While these increases have been made Government also wishes to give relief in sales tax in certain transactions. With a view to encourage industries within the State supplying goods to Central Government, Railways and the State Government, it is proposed to reduce the rate of General Sales Tax on such sales to the Central Sales Tax level of 4 per cent, wherever the existing rates are higher. This will make the local industries more competitive in tenders as against bids from parties outside the State as the 4 per cent tax would be on par with the Central Sales Tax rate.

71. It is proposed to reduce the single-point tax of 8 per cent to 4 per cent on lay flat tubes, films, sheets, cans, blow moulded containers including caps and closures, etc., made of polythene, poly-propylene and poly vinyl chloride.

72. Rubberised coir is subject to a higher level of sales tax in Tamil Nadu than obtaining in the neighbouring States. Keeping this in mind, it is proposed to reduce the tax on rubberised coir products from 4 per cent to 2 per cent.

73. As a help to small newspapers with a circulation of 15,000 and below, the 8 per cent sales tax on newsprint will be reduced to 4 per cent.

74. Sales of Appalam, Vermicelli and Bakery products without a brand name or with brand name not registered under the Trade and Merchandise Marks Act, 1958 will be exempted completely from the multi-point sales tax. The net additional revenue due to these changes will be Rs. 20 crores.

These changes in Sales Tax will be given effect from 1st April 1981.

Loans to Agriculturists

75. In 1980–81, Government announced concessions to write off loans of agriculturists for Rs. 71 crores composed of Rs. 21 crores of Takkavi loans (as against Rs. 16 crores announced earlier) and Rs. 50 crores of Co-operative loans (as against Rs. 42 crores announced earlier). Government has also announced that an amount of Rs.23 crores repaid by the Agriculturists will be adjusted against instalments of Co-operative loans falling due next year. Government has decided to give the following concessions to further reduce the debt burden of the Agriculturists.

(1) If a small farmer, owning or cultivating as a tenant, land of an extent of 5 acres or less, has not so far repaid principal of the short-term loan in arrears and if he repays the principal before 30th June 1981, then the interest due and the penal interest thereon will be written off. Government will be making the payment to the Co-operative Societies on behalf of the agriculturists.

(2) If other farmers repay the short-term loans taken from the Village Co-operative Societies together with the normal interest before 30th June 1981, then the penal interest due from them will be fully written off and the Government will be paying this amount to the Co-operative Societies.

76. As an incentive for prompt repayment of dues, it is proposed to give during 1981-82 a rebate of 2 per cent of interest to small farmers who repay their short term loans and medium term loans instalments on or before the due dates.

Prohibition

77. In the Governor's Address of this year, free and frank views of the members were sought on as to how best the prohibition policy should be implemented effectively or modified or whether a rethinking was warranted. Accordingly, Members also expressed their views. The Members are aware of the firm resolve of this Government and the Chief Minister in implementing the prohibition policy effectively. Members are also aware of the prevalance of illicit distillation and unauthorised drinking and the amendments enacted to hand out stiff penalties

to those indulging in illicit distillation and unauthorised drinking. But, contrary to expectations, many poor families landed in difficulties and taking note of this, some changes were effected in the implementation of the policy. Rules relating to issue of permits for consumption of liquor were modified. After these changes were made, some Members stated that Prohibition Act was not in force and remarked whether prohibition policy was still in vogue at all. This Government reiterates its firm belief in prohibition policy; it would also like to state that it would not scrap the law on prohibition. The Government is of the view that through modification of the prohibition Act it would be able to get at the money which otherwise went into the pockets of the anti-social elements. Hence, the Government has decided to make the following changes in the Prohibition Act :—

78. Only those above 25 years of age will be permitted to drink. They must obtain permits by following the procedure. Sale of bottled Arrack only will be allowed through authorised shops. No one will be allowed to drink in the premises of the shop. Shops will not be allowed to be opened near schools, hospitals, places of worship and students' hostels. Only authorised persons will be allowed to sell liquor. Illicit distillation and unauthorised sale and consumption of liquor will be prohibited and offenders will be punished under law. Only members of recognised tree tappers' Co-operative Societies will be permitted to tap toddy. Suitable legislative measures relating to manufacture and sale of arrack and toddy will be brought before the House.

79. Government will take up intensive propaganda on the evils of drinking. Rupees one crore will be provided initially for carrying out propaganda on prohibition through cinemas, dramas, cultural shows and songs. Through the changes proposed above, the Government, hopes that people will be relieved from the clutches of illicit distillers, bootleggers and from the abettors of illicit transport of liquor.

Sir,

80. I have clearly laid before the House, the situation obtaining in Tamil Nadu and the financial position of the State. I have offered my explanations and I have also made my requests. In implementing effectively and efficiently the policies, the objectives and the programmes placed before the House, I seek the assistance and co-operation of all the Members.

81. I request the full fledged support from all the Members, to the Government, in its endeavours to implement its programmes which have been drawn up after assessing the resources and the means and after deciding on the nature of the deed, the appropriate time and the place and after eliminating all the flaws as epitomized in the following words of Thiruvalluvar :

> **" Money and means as well as time, the nature of the deed.**
>
> **And place—these five, sans doubt examine before you act indeed."**

82. I wish to extend my sincere thanks to Thiru K.J.M. Shetty and his colleagues for having assisted me in preparing this Budget.

83. I request that this House may approve the Annual Financial Statement for the year 1981–82.

MADRAS,
21*st March* 1981.

V. R. NEDUNCHEZHIYAN,
Minister for Finance.

Tiruvalluvar Year 2012,
Rowthiri, Panguni 8.